

Canadian Cottons Limited

MONTREAL, CANADA

FIFTEENTH ANNUAL REPORT

FOR YEAR ENDING 31ST MARCH, 1925

PRESENTED TO THE SHAREHOLDERS
AT THE ANNUAL MEETING OF THE COMPANY
HELD AT MONTREAL, THE 18TH MAY, 1925

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BOARD OF DIRECTORS

President

CHARLES R. HOSMER

Vice-President

A. O. DAWSON

HON. F. L. BEIQUE, K.C. A. A. MORRICE

GEORGE CAVERHILL SIR H. MONTAGU ALLAN

W. J. MORRICE

A. O. DAWSON, *Managing Director*

A. BRUCE, *Secretary-Treasurer*

Canadian Cottons Limited

To the Shareholders :

YOUR Directors have pleasure in presenting the Fifteenth Annual Report for the year ending 31st March, 1925.

The forecast of business made in the Report of 1924 was fully realized in that the first half of the financial year just closed was exceedingly poor, curtailment being heavy, and shipments greatly reduced. A marked improvement was evident in the second six months period, resulting in a showing that it is hoped, under the circumstances, will be found satisfactory.

The sales for the year were \$8,549,897.97 as compared with \$9,677,510.84 for the previous year.

The balance at the credit of Profit and Loss Account has been slightly increased, now amounting to \$2,682,664.07.

There has been \$96,160.31 spent in new Machinery during the year, which amount has been added to Capital Account.

The new financial year of the Company opens with fair promise. Raw cotton is selling at a reasonable figure and stocks of finished goods are low.

On the other hand, competition from England on fine goods, and from the Southern States on heavy goods, is difficult to meet. The wages in English mills are about one-half those paid in Canada, while in the Southern States, in addition to low wages, mills are run from five to ten hours per week in excess of your mills, and child labour is also permitted.

Until these competitive countries bring their standard of living up to that prevailing in this country, cotton manufacturing in Canada can only be made profitable by keeping the mills in a high state of efficiency and by the practice of the utmost economy.

The Books and Accounts of the Company have been duly audited, and the Auditor's Report is submitted herewith.

Respectfully submitted,

CHARLES R. HOSMER

President.

Canadian Co

MANUFACTUR

FOR YEAR ENDIN

DR.

To Raw Material, Manufacturing Cost, Marketing of Products, Administration, Repairs, Replace- ments, Maintenance, Depreciation, and Govern- ment Taxes to date	- - - - -	\$7,629,061.44
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To Balance		
Net Profits to Profit and Loss Account	- -	506,928.82
		<u>\$8,135,990.26</u>

PROFIT AND I

31ST MA

To Bond Interest on net amount outstanding	- - -	\$157,079.30
Four Dividends of 1½% each on Preferred Shares	- -	219,690.00
Four Dividends of 2% each on Common Shares	- -	<u>217,240.00</u>
		\$594,009.30
Bad Debts	- - - - -	17,674.78
Balance forward	- - - - -	<u>2,427.35</u>
		<u>\$614,111.43</u>

ons, Limited

ING ACCOUNT

1ST MARCH, 1925

CR.

By Sales - - - - - \$8,549,897.97

Add Inventory of Cloth and Cotton in process of
Manufacture, 31st March, 1925 - - - 1,106,254.25
\$9,656,152.22

Less Inventory of Cloth and Process on hand
31st March, 1924 - - - - - 1,520,161.96
\$8,135,990.26

SS ACCOUNT

H, 1925

By Net Manufacturing Profits - - - - - \$506,928.82
" Interest on Investments - - - - - 93,840.92
" Sundry Rentals, etc. - - - - - 13,341.69

\$614,111.43

By Balance forward - - - - - \$ 2,427.35
Add Balance, 31st March, 1924 - - - 2,680,236.72
\$2,682,664.07

Canadian Co

GENERAL

YEAR ENDING

ASSETS

Cash	-	-	-	-	-	\$ 85,278.76
Book Debts, net cash basis, Bills						
Receivable and Sundry Open						
Accounts	-	-	-	-	-	1,746,018.22

INVENTORY OF

Cloth	-	\$868,698.92	
Process and Yarns		242,545.88	
Raw Cotton	-	461,423.36	
Supplies	-	139,179.82	
Insurance unearned		70,000.00	
			1,781,847.98

Investment Bonds	-	-	-	1,500,000.00	
Total Current Assets					\$5,113,144.96

Bonds in Treasury and for Sinking					
Fund	-	-	-	-	968,378.95

Stocks in other Companies	-	-			230,643.22
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PROPERTIES

Mills, Properties, Plants, Waterpowers, etc.	-	10,119,315.94	
		\$16,431,483.07	

Montreal, 30th April, 1925

Verified, ARTHUR H. PLIMSOLL, F.C.A. (Can.), Auditor.

ons, Limited

STATEMENT

1ST MARCH, 1925

LIABILITIES

Bank Advances	-	-	-	\$287,739.60
Open Accounts including Estimated				
Tax Reserve	-	-	-	777,101.23
Bond Interest accrued and Divi-				
dends payable April 4th	-	-	-	149,212.50
Bills payable	-	-	-	139,225.67
Total Current Liability				\$1,353,279.00

<u>BONDS</u>	-	-	-	\$5,000,000.00
Less Redeemed	-	-	-	731,460.00
				4,268,540.00

CAPITAL

Preferred Authorized				
\$4,500,000.00	-	-	Issued	3,661,500.00
Common Authorized				
\$3,500,000.00	-	-	Issued	2,715,500.00

RESERVES

Depreciation	-	-	\$1,050,000.00
Bad Debts	-	-	100,000.00
Special Replacements	-	-	600,000.00
			1,750,000.00

SURPLUS

Balance at Credit of Profit and				
Loss, 31st March, 1925	-	-	-	2,682,664.07

INDIRECT LIABILITIES

Customers' paper under discount	\$230,386.07			\$16,431,483.07
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C. R. HOSMER }
A. O. DAWSON } *Directors*

A. BRUCE,
Secretary-Treasurer.

AUDITOR'S CERTIFICATE

I have examined the Books and Accounts of Canadian Cottons, Limited, for the year ending the 31st March, 1925.

I have obtained all the information and explanations required, and now certify that, in my opinion, the foregoing statements and balance sheet are properly drawn up so as to exhibit a true and correct view of the year's operations and of the state of the Company's affairs at its close, according to the best of my information and the explanations given to me and as then shown by the books of the Company.

ARTHUR H. PLIMSOLL,
F.C.A. (Can.)

Montreal, 30th April, 1925

